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Security Distributing & Marketing®

Third Annual Securing America Award Winners

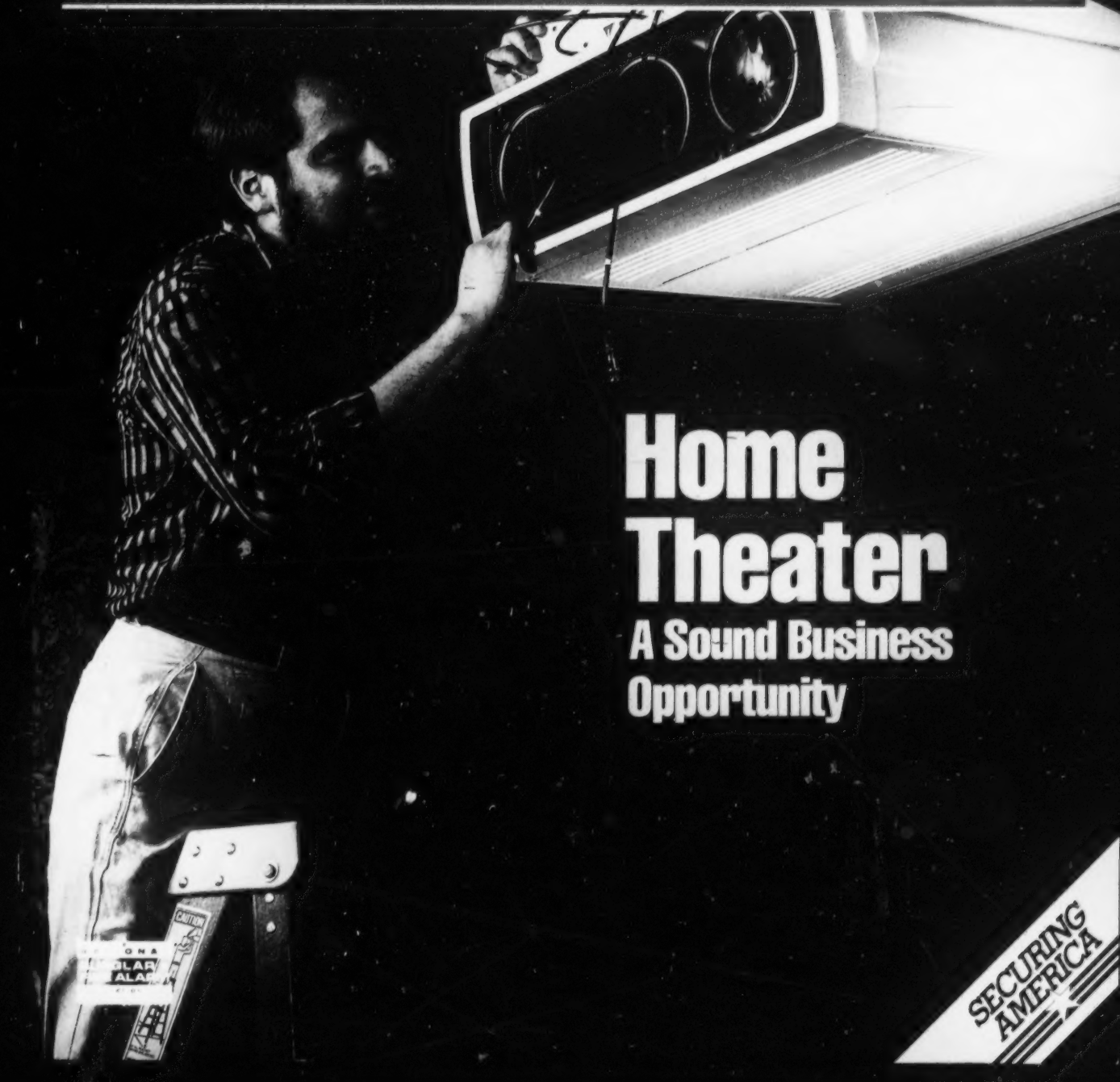
Warehouse Alarms

Wireless Access Control

Electronics Basics Quiz

A CAHNERS PUBLICATION

SEPTEMBER 1992



Home Theater

A Sound Business Opportunity

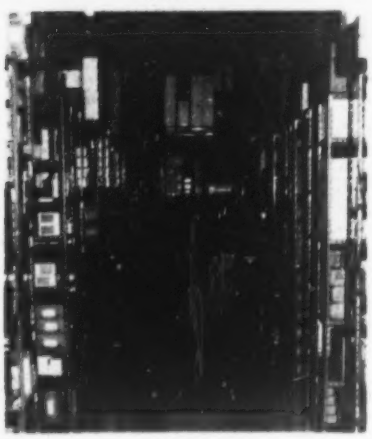
SECURING AMERICA

Security Distributing & Marketing®

A Cahners Publication *Volume 22, No. 11* *September 1992*

58 *Seize a growth opportunity by expanding into the home theater market.*

84 *Securing America recognizes the best producers of dealer support materials.*



75 *Alarm gear takes beating in warehouses.*

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58 Home Theater Offers a Sound Opportunity
Home theater systems can be a profitable area of diversification for dealers who have growth in mind.

84 1992 Securing America Awards
SDM recognizes suppliers who provide top-notch product support tools for their dealers.

75 Warehouses are Tough on Alarm Equipment
Security dealers must use double defense to protect both the property and the alarm equipment at warehouses.

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ABOUT THE COVER

Glenn Avery demonstrates how easy it is to install and adjust a ceiling-mounted color projection TV unit, which is an integral part of a home theater system. For more on home theaters, see page 56.

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Marketline

Developments among sources of supply

President Bush visits Odetics

As part of his 1992 campaign, President George Bush visited Odetics, Anaheim, CA, in late July and spoke to its 600 employees.

"Bush campaign officials were looking for a company in the Orange County area that had made a successful transition from government contracts to commercial ones," said Tom Pappageorge, director of marketing and sales for Gyyr, a division of Odetics.

Campaign officials asked California's governor's office for recommendations and Odetics was one of them.

"We were selected for business, not political reasons," Pappageorge said.

When Odetics was founded in 1969, 100% of its revenue came from government contracts. This continued until 1975, when the company realized that some of its data recording technology, used in space applications, could be used by commercial businesses.

Currently more than 50% of Odetics revenues comes from its commercial business. Gyyr manufactures time-lapse recorders and other closed-circuit video equipment that is used in security applications.

Odetics is known for more than its successful move to the commercial sector. On the morning that Bush was due to arrive, Odetics received a call from the Democratic National Convention requesting more information about the company because Odetics was being considered for a visit from Sen. Al Gore, the Democratic candidate for vice president. Gore wanted to visit a company that had a proven track record of being environmentally safe.

Odetics simply couldn't respond to the inquiry in time. "We had less than four days to prepare for the President's visit. I don't know if we could have gone through it again, but our doors are open to both sides," said Holly Barnett, an Odetics spokesperson.

President George Bush spoke to Odetics' 600 Anaheim, CA, employees and 100 media representatives in late July.

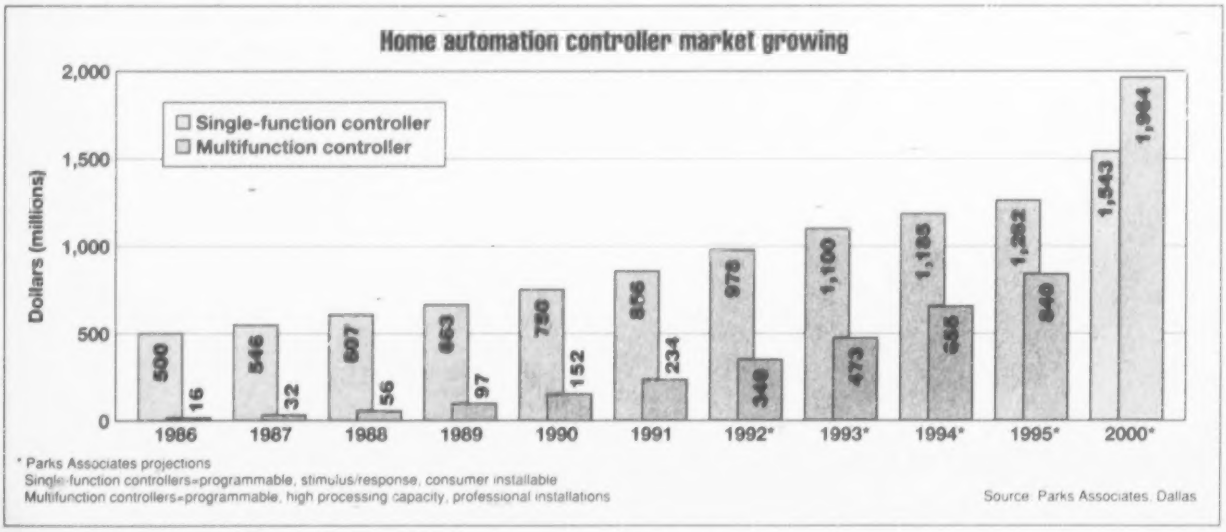
SDM becomes Habitech 93 sponsor

Security Distributing & Marketing is now a sponsor of Habitech 93, a four-day show for homes of the future. The event will be held at the San Jose Convention Center March 18 to 21, 1993.

Habitech 93 has two parts. One is Habitech Professional, a two-day conference and trade show for manufacturers, architects, and other trade professionals in the home systems market.

The second is Habitech Weekend, designed as a consumer show that includes seminars, demonstrations, and workshops for end-user prospects.

For more information, call Phyllis Rosenthal at (703)684-4465 or Judy Brendemihl at (214)490-1113.



The projected growth of home automation controller sales makes it a good market for alarm dealers to enter.

SDM® Update

Statistics on market conditions and trends

Index reveals uncertainty over economic recovery

The Cahners Business Confidence Index registered only its second decline of the year in July. However, the 3.5-point drop wiped out most of the small gains that the Index has realized since a seven-point jump in January. A new sense of concern has hit business managers—best described as uncertainty over the near-term economic outlook—which has made business planning all the more confusing.

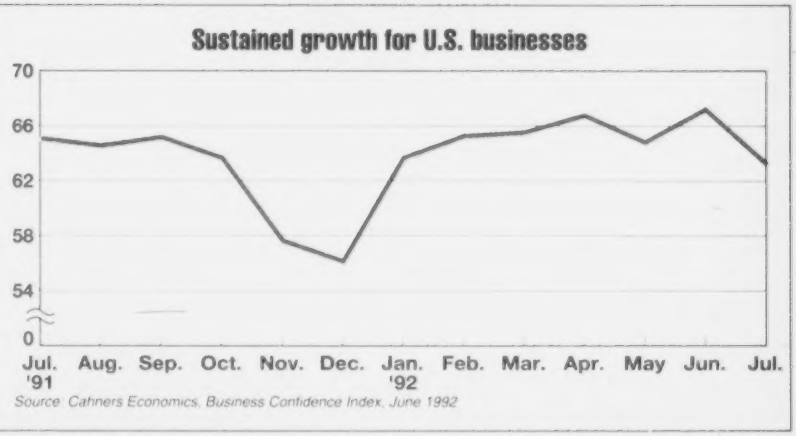
Just prior to the July survey, conducted by Cahners Economics, Newton, MA, national unemployment was reported to have jumped to 7.8%, the highest level in more than eight years. The Federal Reserve Board immediately responded with a half-point cut in short-term interest rates. These two developments caught most businesses off guard and caused them to reevaluate their short-term business strategies.

An indication of this uncertainty is in the level of "don't know" responses from the panelists in the survey, when companies were asked about plans in core business operations. Compared with responses from June's survey, more than twice as many respondents were unsure of short-term plans in July.

Uncertainty was particularly high for functions that have been more volatile recently. For example, many businesses had begun building inventories recently, after substantial trimming during the recession. In July, however, more than one in five respondents didn't know what changes their businesses would be making in inventories over the next three months—more than twice as many as were unsure in June.

Overall, there is only a limited sense of pessimism among the business community. Yet recent reports provide unmistakable evidence that the recovery has slowed. Until businesses can evaluate how the new growth path will impact their businesses, they are likely to remain cautious.

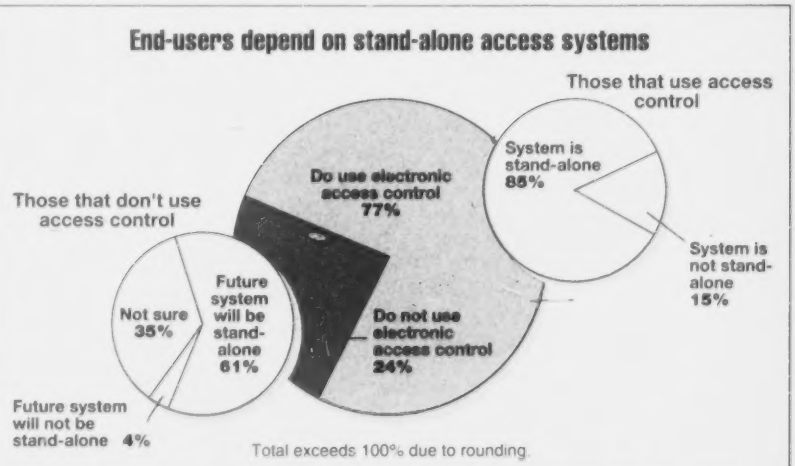
There is surprisingly little divergence in their outlook. Eight out of 10 businesses foresee slow growth in the economy over the remainder of the year. Most of the rest see a continuation of last year's recession influencing their businesses. Less than 3% expect the strong upturn that would be expected during the early stages of a recovery.



The July Cahners Business Confidence Index index fell 3.5 points from the previous month and is at its lowest level since January.

The only real disagreement in the panel comes from the expected nature of the slow growth. Just over half (53%) of the companies expecting slow growth are expecting a steady improvement in the economy through the end of 1992. The remainder feel that the slow growth they expect for the remainder of 1992 will come in erratic fits and starts.

Each month, the index surveys 400 U.S. manufacturing firms in four cyclically sensitive industries (electronics and computers, construction, consumer goods, and general OEM manufacturing) about business activities. Index scores can range from 0 to 100, with 50 being a base point. Numbers above 50 show economic growth and numbers below 50 indicate a shrinking economy. **SDM**


End-users depend on stand-alone access systems
Those that use access control
System is stand-alone 85%
System is not stand-alone 15%
Do use electronic access control 77%
Those that don't use access control
Future system will be stand-alone 61%
Not sure 35%
Do not use electronic access control 24%
Future system will not be stand-alone 4%
Total exceeds 100% due to rounding.

A survey of business executives with security and life-safety responsibility shows that three-quarters use electronic access control and 85% of that group uses a stand-alone, self-contained system. The majority of respondents who plan to add an access system in the future will also purchase stand-alone systems.

Source: SECURITY Magazine, Quarterly Telephone Survey, April 1992